

# **EXHIBIT A**



# *Commercial Insurance Protection*

**Mail claims to:**  
945 E. Paces Ferry Rd.  
Suite 1800  
Atlanta, GA 30326-1125

**CLAIM OFFICE:**

**Fax claims to:**  
(404) 260-3997  
(Attn: Claims Department)

RSG 94001 1004

Your policy has been signed or on our behalf by our President and by our Secretary. However, your policy will not be binding on us unless it is also countersigned by one of our duly authorized agents.

A handwritten signature in cursive script, appearing to read "E. D. Lantieri".

President

**RSUI Indemnity Company  
Landmark American Insurance Company**

A handwritten signature in cursive script, appearing to read "Kathy Allen".

Secretary

**RSUI Indemnity Company  
Landmark American Insurance Company**

*This Endorsement Changes The Policy. Please Read It Carefully*

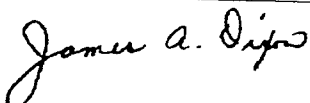
In consideration of an **additional premium of \$2,324**, it is hereby agreed the following changes are made to the policy:

- 1) The following location is added to the policy – 4623 NE Winn Road, Kansas City, MO  
Total Values: \$7,784,000
- 2) The values are increased by \$1,000,000 to a new total of \$8,716,000 at the 6024 N. Jefferson, Kansas City, MO location.

All other terms, conditions and warranties remaining unchanged.

This endorsement effective 08/15/2005  
forms part of Policy Number NHD340601  
issued to Maxus Realty Trust  
Authorized Representative

Endorsement No.: 2  
Date Processed : 06/03/2005



*This Endorsement Changes The Policy. Please Read It Carefully*

In consideration of an **additional premium** of **\$978.**, it is hereby agreed the following location is added to this policy.

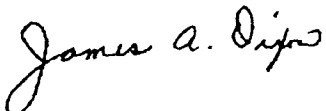
Randall-Autumn Partners LP dba Randall Court  
6716, 6720, 6724, 6728 N. Randall Court  
Gladstone, MO 64119  
- Total Value: \$2,870,000

Mortgagee/Loss Payee  
ORIX Capital Markets, LLC, Master  
Servicer on behalf of Norwest Bank  
MN, NA Trustee for First Union  
Lehman Brothers Mortgage Pass-through Certificates series 1998-C2 (the "Trust")  
c/o NorthMarq Capital Inc  
3500 American Blvd. West, Suite 500  
Bloomington, MN 55431-4435

All other terms, conditions and warranties remaining unchanged.

This endorsement effective 06/01/2005  
forms part of Policy Number NHD340601  
issued to Maxus Realty Trust  
Authorized Representative

Endorsement No.: 1  
Date Processed : 05/26/2005



## COMMON POLICY DECLARATIONS

COMPANY NAME: RSUI Indemnity Company (A New Hampshire Stock Co.)BRANCH ADDRESS: 945 E. Paces Ferry Rd., #1800, Atlanta, GA 30326POLICY NO. NHD340601RENEWAL OF: LHD335025

NAMED INSURED AND MAILING ADDRESS:

PRODUCER:

Maxus Realty Trust  
(Name Incomplete - As Per Primary Policy)  
PO Box 34729  
N. Kansas City, MO 64116

POLICY PERIOD: From 05/03/2005 To 05/03/2006 12:01 A.M. Standard Time at your Mailing Address above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.  
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COVERAGE PARTS	PREMIUM	COMM.
<input checked="" type="checkbox"/> Commercial Property	\$ 71,010	DO NOT WRITE IN TINTED AREA
<input type="checkbox"/> Commercial General Liability	\$	
<input type="checkbox"/> Crime and Fidelity	\$	
<input type="checkbox"/> Commercial Inland Marine	\$	
<input type="checkbox"/> Boiler and Machinery	\$	
<input type="checkbox"/> Commercial Automobile	\$	
<input type="checkbox"/> Farm	\$	
<input type="checkbox"/>	\$	
<input type="checkbox"/>	\$	
<input type="checkbox"/> Premium is payable in installments:	<b>TOTAL POLICY PREMIUM</b>	
	\$ 71,010	

FORMS APPLICABLE TO ALL COVERAGE PARTS: (Show numbers)  
RSG 94062 0304  
RSG 91002 0304, RSG 94005 0304, RSG 94030 1003  
RSG 96004 0903, RSG 96005 0904, RSG 96014 0504, RSG 96024 1104  
IL 0017 1198, IL 0274 0702

BUSINESS DESCRIPTION: Apartments

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE FORMS(S) AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE CONTRACT OF INSURANCE.

Countersigned 05/24/2005  
Date CJL

By:

Authorized Representative

Policy Number: NHD340601

Insurer: RSUI Indemnity Company

Named Insured: Maxus Realty Trust

### **NOTICE - REJECTION OF TERRORISM COVERAGE**

Coverage has been "rejected" by the Insured for all acts of terrorism including but not limited to "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002.

## ***IMPORTANT NOTICE***

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### **IMPORTANT INFORMATION TO MISSOURI POLICYHOLDERS**

#### **KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS**

**QUESTIONS ABOUT YOUR INSURANCE?** – If you have any inquiries, need to obtain coverage information or need assistance in resolving complaints, please do not hesitate to contact your insurance company or agent.

#### **FOR COMMERCIAL INSURANCE CONTACT:**

RSUI Group, Inc.  
945 East Paces Ferry Road  
Suite 1800  
Atlanta, GA 30326  
Call Collect: (404) 231-2366



## EXCESS PHYSICAL DAMAGE SCHEDULE

1.     Named Insured:     Maxus Realty Trust  
                              (Name Incomplete - As Per Primary Policy)
2.     Addresses of Insured Premises:     Various - As per Schedule on file with company received 4/20/2005

4. Property Covered: Building, Business Income / Loss of Rents, and Personal Property

6. Primary Limits and Underlying Excess Limits: \$2,500,000 Per Occurrence

8. Notification of Claims to: RSUI Group, Inc.  
945 East Paces Ferry Road  
Suite 1800  
Atlanta, GA 30326  
Attn: Claims Department

*This Endorsement Changes The Policy. Please Read It Carefully*

In consideration of an additional premium of \$6,653, it is hereby agreed the following locations are added to the policy:

- 1) 100 Arbor Gate Circle, Picayune, MS  
Total Values: \$6,518,180
- 2) 100 Waverly Drive, Bay St. Louis, MS  
Total Values: \$7,533,160

*Revised Limit Insured: \$168,027,647 Per Occurrence in excess of \$2,500,000 Per Occurrence*

All other terms, conditions and warranties remaining unchanged.

This endorsement effective 09/01/2004  
forms part of Policy Number LHD335025  
issued to Maxus Realty Trust  
Authorized Representative

Endorsement No.: 2  
Date Processed : 09/09/2004

*James A. Digo*

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **EXCESS PHYSICAL DAMAGE COVERAGE FORM**

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### **1. INSURING CLAUSE:**

Subject to the limitations, terms and conditions contained in this Policy or added hereto, the Company agrees to indemnify the Insured named in the schedule herein in respect of direct physical loss or damage to the property described in the schedule while located or contained as described in the schedule, occurring during the period stated in the schedule and caused by any of such perils as are set forth in Item 3 of the schedule, and which are also covered by and defined in the policy(ies) specified in the schedule and issued by the "Primary Insurer(s)" stated therein.

### **2. LIMIT:**

Provided always that liability attaches to the Company only after the primary and underlying excess insurer(s) have paid or have admitted liability for the full amount of their respective ultimate net loss liability as set forth in Item 6 of the schedule and designated "Primary and Underlying Excess Limit(s)" and then the limits of the Company's liability shall be those set forth in Item 7 under the designation "Limit Insured" and the Company shall be liable to pay the ultimate net loss up to the full amount of such "Limit Insured."

### **3. DEFINITIONS:**

- (a) **Loss:** The word "loss" shall mean a loss or series of losses arising out of one event or occurrence.
- (b) **Ultimate Net Loss:** The words "ultimate net loss" shall mean the loss sustained by the Insured as a result of the happening of the perils covered by this Policy after making deductions for all salvages, recoveries and other valid and collectible insurance [other than recoveries under the policy(ies) of the primary and underlying excess insurer(s)].

### **4. APPLICATION OF RECOVERIES:**

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Company; provided always that nothing in this Policy shall be construed to mean that losses under this Policy are not recoverable until the Insured's ultimate net loss has been fully ascertained.

There is no recovery under this excess policy as respects those coverages which are sublimited within the primary and/or underlying excess policy(ies) to amounts less than or equal to the amount indicated in item 6 of the Excess Physical Damage Schedule, however, the Insurers to this excess policy recognize that the primary and underlying excess policy limits can be eroded or exhausted, wholly or partially, by application of said sublimits.

### **5. MAINTENANCE OF PRIMARY INSURANCE:**

In respect of the perils hereby insured against, this Policy is subject to the same warranties, terms and conditions (except as regards the premium, the amount and limits of liability other than the deductible or self-insurance provision where applicable, and the renewal agreement, if any; and EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or as may be added to the policy(ies) of the primary insurer(s) prior to the happening of a loss for which claim is made hereunder, and should any alteration be made in the premium for the policy(ies) of the primary insurer(s), then the premium hereon shall be adjusted accordingly.

It is a condition of this Policy that the policy(ies) and underlying excess insurer(s) shall be maintained in full effect during the currency of this Policy.

### **6. CANCELLATION:**

This insurance may be cancelled by the Insured at any time by written notice or by surrender of this policy.

This insurance may also be cancelled by or on behalf of the Company by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail, at the Insured's address as shown on this insurance, written notice stating when, not less than 30 days (10 for non-payment of premium) thereafter, the cancellation shall be effective.

The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.

If this insurance shall be cancelled by the Insured, the Company shall retain the customary short rate proportion of the premium hereon except that if this insurance is on an adjustable basis, the Company shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein, whichever is the greater.

If this insurance shall be cancelled by or on behalf of the Company, the Company shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis, the Company shall receive the earned premium hereon or the pro rata proportion of any minimum stipulated therein, whichever is greater.

Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

**7. NOTIFICATION OF CLAIMS:**

The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give immediate written notice thereof to the person(s) or firm named for the purpose in the schedule.

**8. POLLUTION EXCLUSION:**

This policy does not cover loss or damage caused by or resulting from release, discharge or dispersal of contaminants or pollutants or the cost of cleaning up polluting and contaminating substances.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **CERTIFICATES OF INSURANCE**

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This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

Holders of Certificates of Insurance issued against this policy that are shown as Additional Insureds, Mortgagees, or Loss Payees are added to this policy as interest may appear as respects the property listed on the certificate.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **EXCLUSION AND LIMITED ADDITIONAL COVERAGE ELECTRONIC DATA**

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This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

It is agreed that, except as provided in Additional Coverages, below, this policy does not cover Electronic Data.

Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph does not apply to your "stock" of prepackaged software.

### **Additional Coverages**

Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

This additional coverage applies only if caused by any of the following causes of loss and only in the event that the applicable cause of loss is not otherwise excluded by this policy:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage; earthquake; flood.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

This additional coverage also applies to loss caused by a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

The most we will pay under this Additional Coverage – Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

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## **EXCLUSION AND LIMITED ADDITIONAL COVERAGE FOR FUNGUS**

This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

**A. The following Exclusion is added:**

**EXCLUSION – "Fungus", Wet Rot, Dry Rot And Bacteria**

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But if "fungus", wet or dry rot or bacteria results in a "covered cause of loss", we will pay for the loss or damage caused by that "covered cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

**B. The following Additional Coverage is added:**

**ADDITIONAL COVERAGE - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. This limited coverage applies only when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence, and only if any loss resulting from the following is reported to us within 60 days of the occurrence.
  - a. A "covered cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. Under conditions described in item B.1. above, we will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage provided under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

C. The following Definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



*This Endorsement Changes The Policy. Please Read It Carefully.*

## **EXCLUSION OF TERRORISM**

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This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

#### **A. Definitions**

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:
  - a. The act resulted in aggregate losses in excess of \$5 million; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other act of terrorism" means activities against persons, organizations or property of any nature:
  - A. That involves the following or preparation for the following:
    1. Use or threat of force or violence; or
    2. Commission or threat of a dangerous act; or
    3. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - B. When one or both of the following applies:
    1. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    2. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
  - C. The act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002.

#### **B. The following exclusion is added:**

##### **Exclusion of Certified Acts of Terrorism and the following Other Acts of Terrorism**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials, or
3. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **EXCLUSION OF PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS**

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This endorsement modifies insurance provided under the following:

### **ALL COVERAGE PARTS**

The following exclusion is added:

We will not pay for loss or damage caused directly or indirectly by the discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

However, if both A. and B. below apply, we will pay up to a maximum of \$10,000 for any and all claims for such loss or damage arising out of events occurring within the term of this policy:

- A. The pathogenic or poisonous biological or chemical materials are normally kept at or brought onto your premises, with your consent, for use in your business operations at your premises; and
- B. The discharge, dispersal, seepage, migration, release, escape or application of the pathogenic or poisonous biological or chemical materials is accidental and is not the result of a willful or malicious act against any persons, organizations, or property of any nature.

*This Endorsement Changes The Policy. Please Read It Carefully.*

## **CONDITIONAL EXCLUSION OF TERRORISM**

### **(Relating to Disposition of Federal Terrorism Risk Insurance Act of 2002)**

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**A. Applicability of the Provisions of this Endorsement**

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs:
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or
  - b. A renewal, extension or continuation of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
    - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
    - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
    - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

The Program is scheduled to terminate at the end of December 31, 2005 unless renewed, extended or otherwise continued by the federal government.

2. If the provisions of this endorsement become applicable, such provisions:
  - a. Supersede any terrorism endorsement already endorsed to this policy that addresses terrorism, but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
  - b. Remain applicable unless we notify you of change in these provisions, in response to federal law.
3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy will continue in effect unless we notify you of changes to that endorsement in response to federal law.

**B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.**

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involves the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
  - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added

#### **TERRORISM EXCLUSION**

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

1. The "terrorism" is carried out by the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.
4. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any "terrorism" exclusions.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

In the event of an incident of "terrorism" that involves nuclear reaction or radiation, or radioactive contamination, this Terrorism Exclusion supersedes any Nuclear Hazard Exclusion.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MISSOURI CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Commercial Property Coverage Part in this endorsement also refers to the Standard Property Policy.

B. With respect to the:

Boiler And Machinery Coverage Part  
Commercial General Liability  
Coverage Part  
Commercial Property – Legal Liability  
Coverage Form **CP 00 40**  
Commercial Property – Mortgage  
Holders Errors And Omissions  
Coverage Form **CP 00 70**  
Crime and Fidelity Coverage Part  
Employment-Related Practices Liability Coverage  
Part  
Farm Liability Coverage Form  
Liquor Liability Coverage Part  
Pollution Liability Coverage Part  
Products/Completed Operations  
Liability Coverage Part  
Professional Liability Coverage Part;

the following Cancellation and Nonrenewal Provisions apply:

1. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the actual reason for cancellation, at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium;
  - b. 30 days before the effective date of cancellation if cancellation is for one or more of the following reasons:
    - (1) Fraud or material misrepresentation affecting this policy or a claim filed under this policy or a violation of any of the terms or conditions of this policy;
    - (2) Changes in conditions after the effective date of this policy which have materially increased the risk assumed;
    - (3) We become insolvent; or
    - (4) We involuntarily lose reinsurance for this policy.

- c. 60 days before the effective date of cancellation if we cancel for any other reason.

#### **NONRENEWAL**

- 2. The following is added and supersedes any provision to the contrary:
  - a. We may elect not to renew this policy by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the actual reason for nonrenewal, at least sixty days prior to the effective date of the nonrenewal.
  - b. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **C. With respect to the:**

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions Coverage Form

Farm – Livestock Coverage Form

Farm – Mobile Agricultural Machinery And Equipment Coverage Form;

the **Cancellation** Common Policy Condition is replaced by the following:

#### **CANCELLATION, NONRENEWAL AND DECREASES IN COVERAGE**

- 1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

- 2. We may cancel, nonrenew, reduce in amount or adversely modify this policy by mailing or delivering to the first Named Insured written notice of this action at least:

- a. 10 days before the effective date of this action if due to nonpayment of premium or evidence of incendiarism; or
- b. 30 days before the effective date of this action if for any other reason.

- 3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

#### **4. Notice of:**

- a. Cancellation will state the effective date of cancellation. The policy period will end on that date.
- b. Any other action will state the effective date of that action.

- 5. If this policy is cancelled, not renewed, reduced in amount or adversely modified, we will send the first Named Insured any premium refund due. If we take this action, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. This action will be effective even if we have not made or offered a refund.

- 6. If notice is mailed, proof of mailing will be sufficient proof of notice.